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Hearing Date: November 30, 2006
Hearing Time: 10:00 a.m.
Location: Courtroom 610

and

NANTZ, LITOWICH, SMITH
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Attorneys for the City of Wyoming, Michigan

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____)	
In re)	Chapter 11
)	
DELPHI CORPORATION, <i>et al.</i> ,)	Case No. 05-44481 (RDD)
)	
Debtors.)	(Jointly Administered)
_____)	

**THE CITY OF WYOMING, MICHIGAN'S RESPONSE TO
DEBTORS' (I) THIRD OMNIBUS OBJECTION (SUBSTANTIVE) PURSUANT TO 11 U.S.C. SECTION
502(b) AND FED.R.BANKR.P. 3007 TO CERTAIN (A) CLAIMS WITH INSUFFICIENT
DOCUMENTATION, (B) CLAIMS UNSUBSTANTIATED BY DEBTORS' BOOKS AND RECORDS, AND
(C) CLAIMS SUBJECT TO MODIFICATION AND (II) MOTION TO ESTIMATE CONTINGENT AND
UNLIQUIDATED CLAIMS PURSUANT TO 11 U.S.C. SECTION 502(c)**

The City of Wyoming, Michigan, by its attorneys, Sullivan & Worcester, LLP and
NANTZ, LITOWICH, SMITH, GIRARD & HAMILTON, P.C., hereby responds to the THIRD
OMNIBUS CLAIMS OBJECTION (as detailed above) as follows:

1. The City of Wyoming, Michigan is a Michigan municipal corporation and
local taxing authority and provides water and sewer utility services to the Debtors
(hereinafter at times referred to as the "City").

2. The Debtors filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code on October 8 and 14, 2005.

3. The Debtor, Delphi Corporation, has located in the City of Wyoming situses where it owns certain real property located at 2100 Burlingame Ave., S.W., Wyoming, Michigan, which receive water and sewer services from the City.

4. Under Michigan law, the City of Wyoming provides water and sewer services to users within its city limits and under state law such utility charges, if they remain unpaid, act as a lien against real property. The applicable provision of the Michigan Compiled Laws states as follows:

Sec. 2. A municipality which has operated or operates a water distribution system or a sewage system for the purpose of supplying water or sewage system services to the inhabitants of the municipality, shall have as security for the collection of water or sewage system rates, or any assessments, charges, or rentals due or to become due, respectively, for the use of sewage system services or for the use or consumption of water supplied to any house or other building or any premises, lot or lots, or parcel or parcels of land, a lien upon the house or other building and upon the premises, lot or lots, or parcel or parcels of land upon which the house or other building is situated or to which the sewage system service or water was supplied. **This lien shall become effective immediately upon the distribution of the water or provision of the sewage system service to the premises or property supplied, but shall not be enforceable for more than 3 years after it becomes effective.**

M.C.L. 123.162. (*Emphasis Added*) (Municipal water or sewage system lien; creation; accrual).

5. The City of Wyoming, Michigan, timely filed its claim in this matter for services rendered to 2100 Burlingame Ave, S.W., Wyoming, Michigan, for the period of July 11, 2005 through October 11, 2005, which reflected an outstanding balance owed of \$80,786.39, as of December 22, 2005. (See attached **Exhibit 1.**) The actual water billing statement is attached as an Exhibit to the City's filed Proof of Claim.

6. On or about October 31, 2006, the Debtors filed objections to the City's claims on the basis that the City's claims are "unsubstantiated", and assert that the claim should be disallowed and expunged.

7. It appears that Debtors' Objection fails to recognize the account for outstanding balances owed to the City, as set forth in the Debtors' creditor data sheet for the City of Wyoming, Michigan which reflects that the City is owed \$77,273.94 in the Delphi Automotive Systems LLC, Case No. 05-44640.¹ The creditor data sheet, however, incorrectly stated that the City's claim is unsecured. (See attached **Exhibit 2.**) The claim is actually secured pursuant to MCL 123.162.

8. Under Michigan law, municipalities such as the City of Wyoming obtain a lien on real property for outstanding water and sewer bills. (See MCL 123.162.)

9. The City, having applied all payments previously made, still shows as of November 21, 2006 an outstanding balance owed the account of \$77,273.94, to which the City is entitled payment in full as a secured claim. **The claim is liquidated** in the amount of \$77,273.94.

10. Based upon state and federal law and the foregoing, the Court should deny the objection filed by the Debtors as to the City of Wyoming, Michigan's claim no. 11267, require payment in full to the City upon the effective dates of the Plan, including any amount of statutory interest, and otherwise award the City of Wyoming, Michigan relief as required by state and federal law.

11. The Debtors or any others wishing to respond to this Objection should respond to:

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12. The City of Wyoming, Michigan has designated its general counsel for these matters, Sandra S. Hamilton, as its legal representative possessing authority to reconcile, settle or otherwise resolve the claim. She can be reached at:

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WHEREFORE, the City of Wyoming, Michigan, respectfully requests that this Court deny the Debtors' objections to the City of Wyoming, Michigan claims, require payment in full to the City of Wyoming upon the effective dates of the Plan of \$77,273.94, including any statutory interest, and otherwise award the City of Wyoming, Michigan

¹ In an abundance of caution, the City caused two proofs of claim to be filed, one in the case of Delphi Automotive Systems LLC and the other in the case of Delphi Corporation. Notwithstanding, the City seeks only a single recovery from the Debtors.

relief as required by state and federal law, and such other and further relief as this Court
deems fair and just.

Dated: November 22, 2006

By: /s/ Gayle P. Ehrlich
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